

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Report Highlights:

Report contains Italian and EU agricultural news items of interest for the month of January 2010.

General Information:

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ITALY

Italian pasta industry accused of price fixing

The Italian government has accused several major Italian pasta manufacturers and millers of forming a cartel to again fix prices. Last February, Italy's antitrust authorities fined 26 pasta manufacturers €12.5 million for illegally inflating pasta prices. Italians on average eat 28 kilos (62 pounds) of pasta a year per capita, by far the highest consumption in the world.

China and Italy Sign Ag Protocol

The Italian and Chinese Ministries of Agriculture recently signed an agricultural agreement aimed at strengthening trade of agricultural commodities. One possible concrete outcome is that the Chinese have agreed to send a team of experts to see if cold treatment for Italian citrus will sufficiently address China's phytosanitary concerns about importing Italian citrus. According to the Italian Ministry of Agriculture, the cold treatment for China will likely be very similar to the one currently used for Japan. Since Italy has a Mediterranean climate, it tends to have more pests and diseases than are a concern for temperate citrus producers. Italy is a minor exporter of blood oranges (harvested between December and March), mainly to the EU, while it has become a major orange importer during April-November, especially from Spain. As a result, the Chinese protocol is unlikely to have a significant impact on Italy's citrus exports. Last year, Italy exported 51 tons of oranges to Japan.

Minister Zaia is Running for President of Veneto

Minister of Agriculture Zaia is running for the office of President of the Veneto Region. Zaia, however, has stated that he plans to remain as Minister of Agriculture while campaigning for the Northern League party. Elections are expected to take place at the end of March 2010.

Italy planning to breed extinct giant cattle

A team of Italian scientists is planning to breed Auroch cattle back from extinction. Reportedly, Auroch are the progenitors of all modern cattle and averaged about 2000 pounds before they became extinct in 1627. Scientists will attempt to recreate the Auroch through a process of selective breeding between cattle with different elements of the Auroch's genetic makeup. The "long-term project" may take several years before the sought after genes come together in a single generation. If successful, Auroch cattle would produce more milk and meat than other cattle. It is not clear whether the Italian scientist plan to use modern cellular techniques or some indigenous method to accomplish this feat.

Worst Immigrant Riots in Italian History

Unprecedented riots erupted in a small town in southern Italy between local African immigrants and

Italians in a dispute over wages for day labor. Fruits and vegetables are traditionally harvested by immigrant laborers who are paid well below the minimum wage that Italian workers would be paid. However, harvesting the produce is not profitable without the use of cheap labor, and many Italians feel that the work is beneath them. Of note is that EU farm subsidies are tied to hectares planted rather than tons produced, therefore many farmers may decide not to harvest the fruit, unless they can find a new source of cheap labor – i.e. immigrants. In fact, currently a significant portion of the crop goes unharvested. One of Minister Zaia's objections in traveling to China was to seek markets for Italy's unharvested fruits.

Mozzarella di Bufala Turns Sour

The Italian Ministry of Agriculture has striped the consortium of *Mozzarella di bufala* (buffalo mozzarella) producers of the authority to certify the authenticity of their cheese and transferred that authority to the Ministry (under appointed administration) as part of its Zero Tolerance policy toward increasingly common Italian food frauds. The Ministry's decision follows investigations that reportedly revealed that producers were adulterating the cheese with cheaper cow's milk.

Mozzarella di bufala is one of Italy's top PDO (Protected Designation of Origin) products. By law, *Mozzarella di bufala* must be produced from whole buffalo milk only. In November 2008, inspectors at several leading supermarkets found that 25 percent of the cheese sold as *Mozzarella di bufala* was, in fact, fake because it had been adulterated with cow milk. Ministry sources report that the investigation is still continuing.

Preliminary results show that about a quarter of the 530 samples contained cow milk—some as much as 30 percent. At present, no administrative or legal measures have been taken against individual producers. The Ministry considers this to be commercial scandal and does not believe it poses a health risk. (Note: Unless, of course, one were allergic to cow milk).

This is the third scandal involving *Mozzarella di bufala* in the past year. As a result, sales and exports continue to plummet. In 2008, tests showed that some plants near Naples were producing the cheese with excessive levels of dioxin and other dangerous contaminants. Italian police also found that some of buffalo herds had been 'doped' using illegal hormones to increase milk production. Additionally, *Mozzarella di bufala* is not pasteurized and, despite a campaign to eradicate brucellosis, and estimated 25 percent of the Italian buffalo herd is brucellosis positive.

According to Coldiretti (Italian Farm Association) the *Mozzarella di bufala* industry employs more than 20,000 people, with 128 cheese producers, 1,850 dairy farms, and 250,000 buffalos.

Approximately 5,000 tons of the 33,000 tons of the *Mozzarella di bufala* produced in Italy annually is

exported. The Italian Agricultural Confederation, however, warned the reported fraud could prompt a "domino effect" harming the reputation of the €300 million a year mozzarella industry, rocked in recent years by contamination fears.

FEATURE ARTICLE:

This *La Stampa* interview with Italian Minister of Agriculture Luca Zaia appears verbatim on the Ministry's website following Zaia's recent return from China. We are reproducing it here as it provides insight into the forces shaping Italian agriculture production and trade policy.

Q & A With Minister of Agriculture Luca Zaia

La Stampa: This is the life of a politician: last week Minister Luca Zaia was at the Radicchio Fair of Roveredo di Guà, in the province of Verona; this morning he will hold a lectio magistralis at the Fudan University of Shanghai, perhaps the most important one in China.

Until recently, for the Lega Nord, China was worse than Barbarossa ("We do not make deals with assassins," Calderoli said; "Italy should not go to the Olympic Games in Beijing", Castelli added). Now one of its Ministers is there to sign an agreement against alimentary frauds. But if you ask him if, after having seized tons of Chinese food, he has become tolerant towards China, Zaia answers: "Wait a moment. This morning I will begin the lectio magistralis saying: we have had enough of being invaded with your disgusting food. This will be my premise".

La Stampa: This is to be clear. And then?

Zaia: "I will speak about the importance of the productive identity; that is, that each one eat its own foods. It is not only a sentimental issue: it is also an economic one, a defense of our future".

La Stampa: So according to you, when you begin to lose the culinary tradition you end up losing the peoples' identity?

Zaia: "It is so. I have written a book for Mondadori on the value of identity in the kitchen and I have financed the Slow Food movement of Carlo Petrini. Do you know what gustative imprinting is?"

La Stampa: I've never heard of it.

Zaia: "It was confirmed by children's neuropsychiatry. If as a child you are accustomed to eating *polenta*, you will eat *polenta* for all your life".

La Stampa: And we must ensure that people always eat *polenta*?

Zaia: "We must ensure that our kids do not become used to eating imported food, because otherwise a chain falls apart. If the Italians will continue to eat Italian, there will be always a farmer whom he

will produce what he has always produced. It is a question of survival, believe me. The food is the third leg of the Italian economy's table".

La Stampa: Chinese alimentary frauds are a serious danger for our economy?

Zaia: "I will give you some numbers, then you'll see. The total value of the Italian agricultural production is one hundred billions euros per year. Of these one hundred billion, twenty-five are our exports. But these twenty-five billions represent only a tenth one of the products that circulate for the world with the brand made in Italy. The other nine out of ten are frauds. Only those put in circle by the Chinese are one hundred billion euros. You understand or are you lost? The false "Made in Italy" food produced in China is alone worth as much as our entire agricultural production".

La Stampa: What do they falsify?

Zaia: "Anything and everything—from *mozzarella di bufala* to *parmesan*.

La Stampa: What agreement have you made with the Agriculture Minister Han Changfu?

Zaia: "We will Exchange the black list of the doubtful companies".

La Stampa: Tell me the truth: there is no comparison between our frauds and theirs.

Zaia: "Between ourselves, no. Ours are very rare."

La Stampa: Anyway even the Lega has had to make compromises with China.

Zaia: "In politics it is necessary to be pragmatic and China is a flooding river, and when rivers are flooding they cannot be stopped, only contained".

La Stampa: Have you abandoned the idea of custom duties?

Zaia: "I remain favorable to them. With China we must collaborate, but in a fair way. Europe has production costs that cannot make it competitive with a country that pays an employee 150 euros per month."

La Stampa: What will you say that will be non-PC today at the lectio magistralis?

Zaia: "That they stop copying us. The Chinese are great forgers. That means also that they are good at it. But now they have interest in stopping the export of fake goods, it ruins China's image of China."

La Stampa: Copying is an art or a fraud?

Zaia: “It depends. Sometimes it is necessary. Also in Veneto, between the two wars, we copied. And the man who then founded Toyota, when he visited Ford, commented: something better can be done”.

La Stampa: Speaking about wine: China copies everything, but fortunately it does not copy well, do you confirm?

Zaia: “I confirm”.

La Stampa: Last year you declared to La Stampa: “At Christmas I refused to eat pineapple, and I cannot imagine that I could ever eat kebab. Do you confirm?”

Zaia: “I confirm”.

La Stampa: How did you battle against champagne go?

Zaia: “Very well. Italian consumption is down 66 percent and average world consumption is down 35 percent. We are the first in the world to have reduced it. I thank all the Italians who have chosen Prosecco or Franciacorta”.

La Stampa: What have you eaten these days in China?

Zaia: “Only Chinese food. The identitarian food helps to know the history of people”.

La Stampa: But it was difficult to renounce to the risotto with radicchio?

Zaia: “Do you know what Einaudi said? Know to decide. I know Chinese food, and now I decide that I prefer risotto with radicchio.”

THE EUROPEAN UNION

Report on Bee Mortality and Bee Surveillance in Europe

AFSA, the French Food Safety Agency recently completed a report on honey bee mortality and the ways that colony losses are monitored in Europe. Researchers found that bee colony losses in Europe and the USA are multi-factorial and include beekeeping and husbandry practices, environmental factors, biological agents as well as the excessive use of pesticides. The interaction of these factors creates stress that weakens the bees' defense system allowing pests and pathogens to kill the colony. An estimated 30 percent of the world's crops are pollinated by bees, many of which rely 100% on bee pollination.

FAS ROME REPORTING

IT1002- Italian Ministry of Agriculture Extends Brunello Decree for the Third Time

The Italian Ministry of Agriculture has extended for the third time the decree that stripped the Brunello di Montalcino consortium of the authority to certify Brunello wine due to alleged fraud in order to maintain wine exports to the U.S. The Ministry first enacted the decree in June 2008, following the release of information that the Siena Magistrate was conducting an investigation, which began in November 2007, into whether Brunello producers had fraudulently adulterated their wine in violation of their consortium's regulations. The Ministry extended the decree in December 2008 and once again in June 2009—each time for six months—as an interim measure, pending completion of the investigation.

IT1003 - How to Influence EU Public Opinion about Agricultural Biotechnology

In order to educate the European Union (EU) public about biotechnology, it is important to pay attention to both the messages groups send as well as the groups themselves. Like most consumers, Europeans are concerned about the health, pesticide residues, and environmental sustainability of their food. There are organizations within the EU that command greater public trust than others, both in general and specifically for information on biotechnology, such as consumer organizations, medical professionals, and universities. A successful and sustainable effort to educate Europeans about biotechnology could benefit from spreading the particular information that Europeans care about, through means of communication they most trust. Italy presents a good place to start, as public opinion in Italy is much more favorable towards biotechnology than in much of Europe.

IT1004 - Another Mozzarella di bufala Scandal

The Italian Ministry of Agriculture has striped the consortium of *Mozzarella di bufala* (buffalo mozzarella) producers of the authority to certify the authenticity of their cheese and transferred that authority to the Ministry (under appointed administration) as part of its Zero Tolerance policy toward increasingly common Italian food frauds. The Ministry's decision follows investigations that reportedly revealed that producers were adulterating the cheese with cheaper cow's milk.

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